

Banks See Jump in ATM Fraud

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While customers get cash, fraudsters are obtaining card and pin data. **Sergei Porter**

Banks are reporting a sharp increase in ATM skimming, a fraud in which perpetrators steal information from bank cards to make fake cards.

A total of 362 cases of skimming have been registered in the first three months of this year, compared to just 40 cases in the same period last year and 397 cases for all of 2011, Kommersant reported Friday, citing data from the Russian Europay Members' Association.

The data on ATM fraud are based on information obtained from about the association's 20 largest banks, which account for about 90 percent of all ATMs in Russia.

In the scam, the perpetrator typically puts a device over an ATM's card slot that reads the magnetic strip as the unsuspecting user passes his card through it. Often a small camera is inconspicuously attached to the ATM that allows the fraudster to record the pin number.

The fraudster then uses the information to create fake cards to withdraw money from ATMs or make purchases at stores.

Banking insiders believe the increase in fraud is connected to a significant growth in the number of ATMs in Russia, as well as the fact that skimming is relatively inexpensive and easy to carry out and perpetrators are rarely caught.

There were 184,000 ATMs in Russia as of Jan. 1, Interfax reported, citing information from the Central Bank.

While skimming is on the rise, the situation remains far better in Russia than in Europe, banking experts told Interfax.

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